

Approval of June 5, 2003 Minutes
ADMINISTRATION COMMITTEE ATTACHMENT #3.1
Thursday, July 31, 2003

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SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
Administration Committee Minutes
June 5, 2003

THE FOLLOWING MINUTES ARE A SUMMARY OF ACTIONS TAKEN BY THE ADMINISTRATION COMMITTEE. AUDIO CASSETTE TAPES OF THE MEETING ARE AVAILABLE FOR LISTENING IN SCAG'S OFFICE.

The Administration Committee held its meeting at the Brea Community Center, 965 East Madison Way, Brea, California.

1.0 CALL TO ORDER

Chairman Richard Dixon called the meeting to order at 9:05 a.m.

Committee Members Present:

Councilmember Hal Bernson	City of Los Angeles
Mayor Richard Dixon	City of Lake Forest
Mayor Lee Ann Garcia	City of Grand Terrace
Supervisor Hank Kuiper	County of Imperial
Mayor Ron Loveridge	City of Riverside
Mayor Bev Perry	City of Brea
Mayor Ron Roberts	City of Temecula
Supervisor Charles V. Smith	County of Orange
Councilmember Sidney Tyler	City of Pasadena
Councilmember Toni Young	City of Port Hueneme

Committee Members Absent:

Mayor William Alexander	City of Rancho Cucamonga
Councilmember Ron Bates	City of Los Alamitos
Councilmember Janice Hahn	City of Los Angeles
Supervisor Judy Mikels	County of Ventura
Mayor Pro Tem Bea Proo	City of Pico Rivera

Staff Present:

Bert Becker	Chief Financial Officer
Charlie Wagner	Acting Finance Manager
Ed Paul	Internal Auditor

Others Present:

Ed Jones	SCAG Liaison
Jeff Davis	Caltrans
Catherine McMillan	CVAG
Rick Bishop	WRCOG

2.0 PUBLIC COMMENT PERIOD

None

• ELECTION OF CHAIR & VICE-CHAIR

Councilmember Toni Young nominated Mayor Richard Dixon for Chair and Councilmember Sidney Tyler for Vice-Chair. There being no objection they were both elected by acclamation.

3.0 CONSENT CALENDAR

Item 3.1.7 was pulled from the agenda.

The Consent Calendar was MOVED (Councilmember Sidney Tyler), SECONDED (Mayor Bev Perry), and UNANIMOUSLY APPROVED.

3.1 Approval Items

3.1.1 Minutes of the May 1, 2003 Meeting

3.1.2 Approval of Contracts

- National Demographics Corporation
- Fregonese Calthorpe Associates

Councilmember Sidney Tyler asked for clarification of the rational for these two contracts.

Lynn Harris, Manager of Community Development answered that the Fregonese Calthorpe contract will allow SCAG to take advantage of the opportunity both for the additional resources to the contract and for the ability to get more outreach completed in Los Angeles County.

She continued that the National Demographics Corporation contract is on behalf of the Las Virgenes/Malibu Council of Governments to perform the services within that subregion as their participation in the overall Growth Visioning program.

3.1.3 Authorization to Apply for EPA Grant for "Support for Local Activities to Quantify and Reduce Greenhouse Gas Emissions"

3.1.4 Authorization to Apply for two Grant Applications for the development of a GIS Data Sharing Systems

3.1.5 Authorization to Execute MOU with LACMTA to Establish a Transportation Planning Institute

- 3.1.6 Approval of a Notice of Preparation for the Program Environmental Impact Report (PEIR) for the 2004 RTP
- 3.1.8 Approve co-sponsorship of the Southern California Leadership Program
- 3.1.9 Adopt Resolution #03-443-01 Endorsing OC Transportation Authority's Car Sharing Proposal & Grant Application
- 3.1.10 Authorize Execution of MOU with LACMTA for COMPASS/Growth Visioning Program
- 3.1.11 Authorize Execution of MOU with SCRRA, VCTC and the California Economic Partnership

3.2 Receive & File

- 3.2.1 Conflict of Interest Listing
(Info Only) RC Attachment
- 3.2.2 Contracts & PO's between \$5,000 - \$25,000
(Info Only) RC Attachment

Contracts

- Applied Business Solutions
- Fennessy Associates

Purchase Orders

- Dell Marketing
- Environmental Systems Research Institute

- 3.2.3 2003/2004 Legislative Matrix
RC Attachment

4.0 ACTION ITEMS

4.1 Administration Committee Report

- 4.1.1 Strategic Plan Task Force Report Adding a New RC District & Redistricting

Mayor Richard Dixon informed the committee that it has been determined that we need to form a time limited task force to look at the total redistricting of the entire SCAG region instead of completing it piecemeal.

Mayor Bev Perry suggested that a caveat be included stating that no other redistricting take place until the task force reports its findings.

This item was MOVED (Mayor Bev Perry), SECONDED (Mayor Lee Ann Garcia) and UNANIMOUSLY APPROVED.

4.2 Update on KPMG FY 2001-02 Audit

Sid Tyler reported on the meeting of the Audit and Best Practice Committee where they heard a report regarding the KPMG audit. Mr. Tyler noted that there were two reasons for the delay in the final audit, delay in approval of the ICAP and issues associated with conversion to SAP. It was also noted that there were 6 items in the draft Management letter which were identified, but none of those issues rose to a serious level.

Tom Snow of KPMG provided copies of the audit and gave a report on the conclusions. Mr. Snow referred to the technical violation of the line of credit \$2.8 million equity covenant. He noted that all payments under the line of credit had been made appropriately and that equity matter was remedied by Bank agreeing to waive the covenant and reduce the amount required. He also noted another area of concern was timely submission of audited financial statements. With regard to the draft Management Letter, Mr. Snow reported that the 6 findings related to routine accounting matter and issues of a compliance nature.

Mr. Becker explained that at the time the \$2.8 million equity requirement was established SCAG had \$2.9 million in equity. He has explained to the Bank that as a public agency, SCAG does not "grow equity" in the traditional sense. He noted that equity went down as a result of higher legal fees and costs associated with SAP. Additionally there were some disallowed costs, which all totaled reduced equity by \$700,000.

5.0 INFORMATION ITEMS

5.1 Monthly Financial Report

Mr. Becker also highlighted the monthly financial report and noted that cash on hand at the end of May was \$1.5 million with \$119,000 in membership dues collected. Additionally, subregional expenses were only \$4 million through May. The subregional coordinators have been advised to submit any invoices they have as soon as possible.

5.2 Caltrans Audit Update

Mr. Becker also reported on the CalTrans audit of the ICAP rate. He indicated that there were four Cal Trans auditors at SCAG intermittently and that two weeks ago, the Chief Auditor identified four issues of concern. Those issues are: closing of the books on a monthly basis, four procedural manuals, retentions from 1999-2000 and adjustments within SAP. Mr. Becker reported that we are now closing the books on a monthly basis, and the other issues have all been addressed.

5.3 Rideshare & TranStar Update

The Executive Director reported on the transition of the Rideshare and TranStar programs. With regard to Rideshare, Mr. Pisano noted that SCAG would no longer provide those services and that staff is finalizing plans to make the equipment and software available to the Commissions. With regard to TranStar, SCAG has on-going obligations both within and outside the region which were identified. Those obligations will be moved to the Partnership and staff is in discussions with the Commissions to facilitate the movement of those obligations. The Executive Director indicated that if any issues arise from the discussions with the Commissions before the next Regional Council meeting, that he would report to the officers.

6.0 FUTURE AGENDA ITEMS

None

7.0 ANNOUNCEMENTS

Mayor Bev Perry informed the committee that there is a delegation from California going back to the Elliot School of International Affairs at George Washington University to a conference called "Governing in the Global Age", June 19-21. She has an invitation to anyone who is interested in attending.

8.0 ADJOURNMENT

Chairman Richard Dixon adjourned the meeting at 9:55 a.m.



Bert Becker, Chief Financial Officer
Staff to the Administration Committee